

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE NOTICE OF PURCHASED GAS)	
ADJUSTMENT FILING OF WESTERN)	CASE NO. 8839-AA
KENTUCKY GAS COMPANY)	

O R D E R

On December 1, 1983, the Commission issued its Order in Case No. 8839 approving certain adjustments in rates and providing under certain conditions for the further adjustment of such rates when the wholesale cost of gas is increased or decreased or a refund is received.

On June 6, 1986, Western Kentucky Gas Company ("Western") notified the Commission that its wholesale cost of gas had been decreased by its supplier, Tennessee Gas Pipeline Company ("Tennessee"), effective July 1, 1986, and submitted with its notice certain information in compliance with its purchased gas adjustment clause on file with this Commission.

After reviewing the record in this case and being advised, the Commission is of the opinion and finds that:

(1) Western's notice of June 6, 1986, set out certain revisions in rates which Western proposed to place into effect, said rates being designed to pass on the wholesale decrease in price from its suppliers in the amount of \$792,412 or 2.49 cents per Mcf.

(2) Tennessee filed decreased rates with the Federal Energy Regulatory Commission ("FERC") to be effective July 1, 1986.

(3) Western's adjustments in rates under the purchased gas adjustment provisions approved by the Commission in its Order in Case No. 8839, dated December 1, 1983, are fair, just and reasonable and in the public interest and should be effective with gas supplied on and after July 1, 1986.

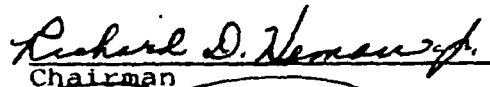
IT IS THEREFORE ORDERED that:

(1) The rates in the Appendix to this Order be and they hereby are authorized effective with gas supplied on and after July 1, 1986.

(2) Within 30 days of the date of this Order Western shall file with this Commission its revised tariffs setting out the rates authorized herein.

Done at Frankfort, Kentucky, this 25th day of June, 1986.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:

Secretary

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 8839-AA DATED JUNE 25, 1986.

The following rates and charges are prescribed for the customers in the area served by Western Kentucky Gas Company. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under authority of this Commission prior to the effective date of this Order.

RATES:

Applicable to: All Gas Rates Schedules

Purchased Gas Adjustment

To each bill rendered under the above named rate schedules there shall be added an amount equal to: (\$.6317) per Mcf of gas used during the billing period.

The base rate for the future application of the purchased gas adjustment clause of Western Kentucky Gas Company shall be:

Texas Gas Transmission Corp.

	<u>Demand-1</u>	<u>Demand-2</u>	<u>Commodity</u>	<u>Gas Rate</u>
G-2	\$4.43	\$.1175	\$2.5146	-0-
G-3	4.70	.1294	2.5395	-0-
G-4	4.89	.1388	2.5569	-0-

Tennessee Gas Pipeline Co.

GS-2	-0-	.6581/Mcf	2.3734/Mcf
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Local Producers	-0-	-0-	2.5395/Mcf
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